



## FACT SHEET ABOUT U. S. SMALL BUSINESS ADMINISTRATION (SBA) ECONOMIC INJURY DISASTER LOANS

**Incident: IDAHO SEVERE WINTER STORMS & EXTRAORDINARY SNOWFALL**

**Disaster: ID-00007 Declaration: 11184**

**Occurring: January 25, 2008 through February 29, 2008**

**in the Idaho counties of: Bonner, Clearwater & Kootenai**

**and the contiguous Idaho counties of: Benewah, Boundary, Idaho, Latah, Lewis, Nez Perce & Shoshone**

**and the contiguous Montana counties of: Lincoln, Mineral, Missoula & Sanders**

**and the contiguous Washington counties of: Pend Oreille & Spokane**

**Filing deadline for applications for economic injury: December 4, 2008**

### **Type of Disaster Loans:**

- **Economic Injury Disaster Loans (EIDL):** Loans for working capital to small businesses and small agricultural cooperatives to assist them through the disaster recovery period. EIDL assistance is available only to applicants with no Credit Available Elsewhere - if the business and its owners cannot provide for their own recovery from non-government sources.
- An applicant does not have Credit Available Elsewhere when SBA determines that the applicant does not have sufficient funds or other resources, or the ability to borrow from non-government sources, to provide for its own disaster recovery. An applicant that SBA determines can so provide for its own recovery has Credit Available Elsewhere.

### **Credit Requirements:**

- **Repayment:** SBA's economic injury disaster assistance is in the form of loans. Applicants must show the ability to repay all loans.
- **Collateral:** Collateral is required for all EIDL loans over \$5,000. SBA takes real estate as collateral where it is available. Applicants do not need to have full collateral; SBA will take what is available to secure each loan.

### **Interest Rates:**

- The interest rate is 4.000%.

### **Loan Term:**

- The law authorizes loan terms up to a maximum of 30 years.
- SBA determines the term of each loan in accordance with the borrower's ability to repay. Based on the financial circumstances of each borrower, SBA determines an appropriate installment payment amount, which in turn determines the actual term.

### **Loan Amount Limit:**

- **Economic Injury Disaster Loan (EIDL)** amounts are limited by law to \$1,500,000. The actual amount of each loan, up to this maximum, is limited to the actual economic injury as calculated by SBA, not compensated by business interruption insurance or otherwise, and beyond the ability of the business and/or its owners to provide.

### **Loan Eligibility Restrictions:**

- **Noncompliance:** Applicants who have not complied with the terms of previous loans are not eligible. This includes prior borrowers who did not maintain required flood insurance.

### **Insurance Requirements:**

- To protect each borrower and SBA, SBA requires borrowers to obtain and maintain appropriate insurance. Borrowers of all secured loans must purchase and maintain full hazard insurance for the life of the loan. Borrowers whose property is located in a special flood hazard area must purchase and maintain flood insurance for the full insurable value of the property for the life of the loan.